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The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES

COMMITTEE ON TAXATION

STATE HOUSE, BOSTON 02133

TEL 722-2430

GOVERNMENT DOCUMENTS  
COLLECTION

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1987

COMMITTEE

ON

TAXATION

LEGISLATIVE

SUMMARY

REP. JOHN H. FLOOD, HOUSE CHAIRMAN



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1987 - 1988

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# The Commonwealth of Massachusetts

COMMITTEE ON TAXATION  
STATE HOUSE, BOSTON 02133

1988  
JOINT COMMITTEE ON TAXATION  
HEARING SCHEDULE

| <u>DATE</u>            | <u>SUBJECT</u>                      |
|------------------------|-------------------------------------|
| Tuesday, February 23   | Department of Revenue               |
| Wednesday, February 24 | Miscellaneous Excise Taxes          |
| Thursday, February 25  | Executive Session                   |
| *****                  |                                     |
| Tuesday, March 1       | Assessing, Municipal Administration |
| Wednesday, March 2     | Estate Taxes; and, Tax Limits       |
| Thursday, March 3      | Executive Session                   |
| Wednesday, March 9     | Prop. 2 1/2, Local Property Taxes   |
| Thursday, March 10     | State Aid, EQV's, State Owned Land  |
| Tuesday, March 15      | Corporate Taxes                     |
| Wednesday, March 16    | Executive Session                   |
| Tuesday, March 22      | Elderly Tax Benefits                |
| Wednesday, March 23    | Personal Income Taxes               |
| Thursday, March 24     | Executive Session                   |
| Tuesday, March 29      | Sales Taxes                         |
| Wednesday, March 30    | Administration of State Taxes & ATB |
| Thursday, March 31     | Executive Session                   |
| *****                  |                                     |
| Tuesday, April 5       | Revenue Packages                    |
| Wednesday, April 6     | Late Files & Rescheduled Bills      |
| Thursday, April 7      | Executive Session                   |
| Tuesday, April 26      | Executive Session                   |
| Wednesday, April 27    | * * * JOINT RULE 10 * * *           |



LEGISLATIVE COMMITTEE WORKLOADS, 1987

Number Of  
Petitions

1,000

Taxation (938)

900

800

Judiciary (799)

700

Public Service (614)

600

500

Education (452)

Human Services (446)

Natural Resources (428)

Commerce and Labor (410)

State Administration (403)

400

(398) Government Regulations

(382) Public Safety

(348) Health Care

300

(299) Housing and Urban Development

(279) Local Affairs

Insurance (270) Criminal Justice

(203) Transportation

200

(195) Election Laws

(154) Banks and Banking

100

(64) Counties (Joint)

(51) Energy

(30) Federal Financial Assistance

0



AN OPINION FROM THE JUSTICES OF THE SUPREME JUDICIAL COURT ON  
TAX DEDUCTIONS FOR CERTAIN EDUCATIONAL EXPENSES

This year the Senate submitted to Supreme Judicial Court for an opinion, a question of constitutionality of certain legislation pending before the General Court. The bill, Senate 1893, entitled "An Act providing a tax deduction for certain educational expenses", would provide tax deductions for certain educational expenses incurred in attending public, or nonprofit private primary and secondary schools, as well as for certain tutoring related expenses. On October 19, 1987 the Supreme Judicial Court rendered the opinion that S.1893, if enacted into law, would violate the provisions of Section 2 of Article 46 of the Amendments to the Constitution of the Commonwealth (the anti-aid amendment).

Article 46, Section 2, provides in pertinent part "No grant, appropriation or use of public money or property or loan of credit shall be made or authorized by the Commonwealth or any political subdivision thereof for the purpose of funding, maintaining or aiding any infirmity, hospital, institution or charitable or religious undertaking which is not publicly owned and under the exclusive control order and supervision of public officers or public agents authorized by the Commonwealth or a federal authority or both." The court found that Senate 1893 involved "a grant, appropriation or use of public money" within



the meaning of Art.46, section 2. The fact that the expenditure takes the form of a tax deduction, rather than a direct payment does not alter the result; case law previously recognized that tax subsidiaries or tax expenditures of this sort are the practical equivalent of direct governmental grants. The court also found that although Senate 1893 allowed for deductions for educational expenses incurred in attending both public or private nonprofit schools, the deductions would be of little or no benefit to parents of public school students. Public school students receive their education, including textbooks, free of charge. Therefore, the benefits of the proposed tax deduction would flow exclusively to those taxpayers whose dependents attend private schools and as a result, to the private schools themselves.

In summary, the Court found that Senate 1893 would, if enacted into law "support the ongoing maintenance of private schools by lessening the financial burden on those who have elected a private school education", thereby violating the provisions of Section 2 of Article 46 of the amendment to the Constitution of the Commonwealth.



- 5 -

A DECISION OF THE JUSTICES OF THE SUPREME JUDICIAL COURT  
CONCERNING THE TAX REVENUE GROWTH LIMIT INITIATIVE

On December 10, 1987, the Supreme Judicial Court ruled that Chapter 62F of the Massachusetts General Laws insofar as it provides for income tax credits in certain circumstances was the proper subject of an initiative measure.

In November 1986, the voters of The Commonwealth approved a referendum initiative concerning a so-called state revenue growth limit resulting in a new Chapter 62F of the Massachusetts General Laws. The Tax Equity Alliance for Massachusetts, Inc. raised the question that Chapter 62F was not lawfully approved because, by providing for certain income tax credits, it improperly proposed action on a matter which, under Article 48, section 2, of the constitution of the Commonwealth could not properly be made the subject of an initiative procedure. Section 2 of Article 48 provides in part that an initiative measure may not make a "specific appropriation."

The Court found that the initiative measure in question did not make a specific appropriation of money from the treasury of the Commonwealth. It held that the granting of an income tax credit is not an appropriation according to any commonly understood sense of the word. "The fact that certain funds would ultimately be in the treasury if a tax credit were not granted does not make the authorization of a tax credit an appropriation of those funds (which will never be received) and certainly does not involve the appropriation of funds in the state treasury."



CHAPTER 3 - AN ACT PROVIDING FOR THE ABATEMENT OF TAXES ON  
(H. 1932) CERTAIN PROPERTY DESTROYED BY A FIRE IN THE CITY OF  
FALL RIVER ON JANUARY 12, 1987.

This special act provides for the abatement of taxes on certain property destroyed by fire in the city of Fall River on January 12, 1987. This act also authorizes the Commissioner of Revenue to reimburse Fall River for funds lost due to the abatement from funds appropriated for this purpose.

Approved March 16, 1987

CHAPTER 17 - AN ACT REQUIRING TOWN MEETING APPROVAL OF ANY  
(S. 1600) AMENDMENT TO THE LAND BANK ACT OF DUKES COUNTY.

Prior to this act the Dukes County Land Bank Act could be amended only by majority vote approval, at a general or special election, of 2/3 of the member communities. This act allows amendments to be effected by majority vote approval of town meeting, of 2/3 of the member communities.

Approved April 14, 1987

CHAPTER 53 - AN ACT PROVIDING FOR THE ABATEMENT OF TAXES ON  
(H. 5251) CERTAIN PROPERTY DESTROYED OR DAMAGED IN THE CITY  
OF LOWELL ON MARCH 23-25, 1987.

This special act provides for the abatement of taxes on certain property destroyed or damaged by fire in the city of Lowell on March 23rd-25th, 1987. This act also authorizes the Commissioner of Revenue to reimburse Lowell for funds lost due to the abatement from funds appropriated for this purpose.

Approved May 11, 1987

CHAPTER 89 - AN ACT RELATIVE TO BETTERMENT ASSESSMENTS ON FOREST  
(H. 3792) LAND.

Classified forest land is subject to special assessments and betterment assessments. Such assessments are usually due and payable once the land is removed from such classification. This act tightens existing language so that the exemption from assessment includes only water pipes which provide fire protection to adjacent forest land.

Approved May 29, 1987



CHAPTER 95 - AN ACT RELATIVE TO FOREST LAND, FARM LAND AND  
(H. 5355) RECREATIONAL LAND.

This act increases the amount of days for a city or town to exercise the option of right of first refusal. When intending to sell or intending to convert property to another use, the right of first refusal has been increased from 60 days to 120 days.

In the case of a mortgage foreclosure sale, the holder of the mortgage must notify the parties of the intended sale at least 90 days (previously 45 days) prior to foreclosure sale.

Approved May 29, 1987

CHAPTER 142 - AN ACT RELATIVE TO LAND CLASSIFIED AS RECREATIONAL,  
(H. 3802) AND FOREST LAND.

This law permits a municipality to assign right of first refusal options to a non-profit conservation organization for the purpose of maintaining open space.

Approved June 16, 1987

CHAPTER 175 - AN ACT REGULATING EXCISE TAX COLLECTION ON BOATS,  
(H. 5238) SHIPS AND VESSELS.

This act imposes a twenty dollar fine or a penalty of 20% of excise due, whichever is greater, for failing to pay a boat excise tax by the due date. All sums received from the penalty shall be ordered to the municipal waterways improvement and maintenance fund. The harbor master is also allowed to refuse a vessel to moor, dock or be situated within the municipality's waters.

Prior to chapter 175, the law required the owner to give the assessor a reasonable excuse for failure to file. There was no monetary penalty for non-payments.

Approved June 25, 1987

CHAPTER 200 - AN ACT RELATIVE TO THE ASSESSMENT OF COUNTY COSTS  
(H. 4876) IN ESSEX COUNTY.

This act allows Essex County to freeze the level of FY '88 costs, charges and fees at FY '87 level.

Approved July 9, 1987



CHAPTER 229 - AN ACT RELATIVE TO LOCAL REAL ESTATE TAXES.  
(H. 4336)

This act allows municipalities a majority override of Proposition 2 1/2. Previously, a 2/3 vote was required for an override of Proposition 2 1/2. Emergency preamble adopted.

Approved July 14, 1987

CHAPTER 232 - AN ACT PROVIDING FURTHER RELIEF FROM THE IMPACT OF  
(H. 5630) REVALUATION FOR THE CITIZENS OF WORCESTER.

This act allows the city of Worcester to increase the dollar value of abatements by as much as 100% beginning July 1, 1987 even if the additional portion reduces the applicants tax bill below that of the prior year.

Approved July 14, 1987

CHAPTER 248 - AN ACT EXTENDING THE TIME PERIOD FOR RECORDING  
(H. 3316) CERTIFICATES OF LIENS.

This act extends from 90 days to 150 days, the time allowed for recording certificates of liens. This legislation originated in the Judiciary Committee.

Approved July 14, 1987

CHAPTER 250 - AN ACT INCREASING THE FEE FOR MUNICIPAL LIEN  
(H. 3592) CERTIFICATES.

This act increases the fee for municipal lien certificates from \$15.00 to \$25.00.

Approved July 14, 1987

CHAPTER 306 - AN ACT AUTHORIZING CITIES AND TOWNS TO INCREASE  
(H. 2638) FEES FOR CERTIFICATES OF LIENS.

This act allows cities and towns to increase fees for certificates of liens only if locally approved. The following schedule is used: 1) Land with no structures or with a residence up to three families - (from \$10. to \$25). 2) Land with a residence for four or more families - (from \$15. to \$100). 3) Land with commercial, industrial etc. structure - (from \$100. to \$150). 4) Farm, forest etc. land - stays at \$50.



Since this act requires local option, these changes are contained in a new section 23B. Section 23A which contains the original fee schedule is not altered or deleted. Emergency preamble adopted.

Approved July 23, 1987

CHAPTER 312 - AN ACT AUTHORIZING AN ADDITIONAL TIME PERIOD FOR  
(H. 5543) THE CITY OF BOSTON TO ADD OMITTED PROPERTY TO THE  
TAX LIST FOR FISCAL YEAR 1986.

This special act authorizes the city of Boston an additional time period of 30 days from the effective date of this enactment, to add omitted property (over \$100) to the tax list for fiscal year 1986.

Approved July 23, 1987

CHAPTER 325 - AN ACT RELATIVE TO CONDOMINIUM MASTER DEEDS.  
(H. 1906)

Master deeds for condominiums are recorded with the registry of deeds or a land registration office. The name of the corporation, trust or association is required. This act extends the requirement to include the mailing address of the condominium association.

Approved July 23, 1987

CHAPTER 338 - AN ACT RELATIVE TO FORECLOSURE OF CERTAIN LIENS.  
(H. 5836)

This act implements three statutory changes which will improve the ability of condominium associations to collect common area charges.

This act also gives condominium liens priority over all other liens except for first mortgages of record and municipal liens. Chapter 338 also provides a known proceeding by which an association could enforce its lien.

Finally, this act grants the District Court concurrent jurisdiction with the Superior Court to assess and foreclose condominium liens.

This legislation originated in the Judiciary Committee.

Approved July 23, 1987



CHAPTER 361 - AN ACT AUTHORIZING THE TOWN OF BROOKLINE TO ABATE  
(H. 5918) AND REFUND CERTAIN PROPERTY TAXES.

This act authorizes the town of Brookline to abate and refund real estate taxes to the Greek Orthodox Archdiocese.

Approved August 27, 1987

CHAPTER 376 - AN ACT RELATIVE TO REFUNDS OF PROPERTY TAXES.  
(S. 1453)

This act allows any refund or abatement of property taxes, amounting to less than \$1.00 to be remitted to the city or town.

Approved October 5, 1987

CHAPTER 402 - AN ACT RELATIVE TO THE PAYMENT OF PROPERTY TAXES.  
(S. 1869)

This act allows municipalities to require a single payment for property tax bills when the amount is less than \$50.

Approved October 13, 1987

CHAPTER 378 - AN ACT PROVIDING FOR THE APPOINTMENT OF AN  
(S. 1870) ASSISTANT COLLECTOR.

This act allows a collector of a city or town to appoint an assistant collector. The mayor or selectmen shall approve the appointment and the assistant must be bonded. The assistant collector may perform the collector's duties but will not be authorized to sign instruments of taking.

Approved October 5, 1987

CHAPTER 410 - AN ACT RELATIVE TO THE TAXATION OF CERTAIN LAND IN  
(H. 5993) THE TOWN OF ASHLAND.

Great Bend Farm is a 180-home cluster development located in Ashland, MA. The development includes an area of common land which is subject to a conservation restriction pursuant to Section 31 of Chapter 184 of the General Laws. Each lot owner in the development owns an equal 1/180th share of the common land.



Previously under Section 11 of Chapter 59 of the General Laws, land subject to the aforementioned conservation restriction was assessed for property taxes as a singular and separate parcel. In order to implement the provisions of Section 11 of Chapter 59 it was necessary for the original Great Bend Farm lot owners to create the Great Bend Farm trust. (All 180 lot owners were automatically beneficiaries of the trust.) Property taxes were assessed to this trust. The trust officers in turn had to collect from each lot owner his 1/180th share of the assessed tax.

Under this act, the common land of the Great Bend Farm is removed from the provisions of Section 11 of Chapter 59. This act allows the Ashland Board of Assessors to assess the value of the common land proportionally among the lot owners in the cluster development and assess the value to each lot owner.

Approved October 20, 1987

CHAPTER 444 - AN ACT ESTABLISHING THE OFFICE OF TREASURER-  
(H. 5956) COLLECTOR OF TAXES IN THE TOWN OF HUBBARDSTON.

This act authorizes the town of Hubbardston to establish an office of Treasurer-Collector of Taxes. The Treasurer-Collector will be appointed by the board of selectmen for a term not to exceed 3 years and will perform the duties of the previous positions of the treasurer and the collector.

Approved October 27, 1987

CHAPTER 451 - AN ACT RELATIVE TO THE BOARD OF ASSESSORS OF THE  
(H. 6014) TOWN OF YARMOUTH.

This act authorizes the board of assessors of the town of Yarmouth an additional time period of 45 days from the effective date of this enactment to add omitted and revised property tax assessments for fiscal year 1987.

Approved November 2, 1987

CHAPTER 455 - AN ACT FURTHER REGULATING CERTAIN ENCUMBRANCES UPON  
(H. 4869) CERTIFICATES OF TITLE.

This act extends the encumbrance of taxes on certificates of title from 2 years to 3 years.

Approved November 2, 1987



CHAPTER 463 - AN ACT AUTHORIZING PRELIMINARY TAX PAYMENTS IN  
(H. 5642) CITIES AND TOWNS.

This act allows a municipality to send out estimated tax bills. The estimated bill can not exceed 50% of the tax payable during the preceding fiscal year. Prior to this act, authorization was done on a year to year basis. Emergency preamble adopted.

Approved November 3, 1987

CHAPTER 469 - AN ACT RELATIVE TO ASSESSMENT OF LOCAL TAXES.  
(H. 4324)

Currently by local option, cities and towns may provide qualified assessors with additional compensation for being certified by the International Association of Assessing Officers or the Association of Massachusetts Assessors for having completed necessary courses of study and training. Compensation is limited to 10% of salary or a maximum of \$1,000 annually. This act strikes the \$1,000 maximum compensation.

Approved November 3, 1987

CHAPTER 483 - AN ACT FURTHER REGULATING THE DETERMINATION OF  
(H. 237) VALUE OF CERTAIN PROPERTY BY THE COMMISSIONER OF REVENUE.

The Commissioner of Revenue is required to determine annually the valuation of certain pipelines and certain property of telephone and telegraph companies. The Commissioner also certifies the valuations to the companies and to the assessors of the cities and towns in which the property is located. The companies are required to submit such information as the Commissioner considers necessary to assist him in making such valuations. Previously, no provisions were made for the failure of a company to file the required return or if it made material false statements in such return.

This act specifically provides that in the event of such failure to file, the commissioner shall estimate the value of such property according to his best information and belief. Material false statements in such return shall bar the company from appealing the commissioner's valuation.



Pipeline owners are currently required to provide certain information on the systems' physical plant to the Commissioner by January 31st and to submit a copy of their annual report to the Federal Energy Regulatory Commission (FERC) by May 1. The May 15th deadline for determining the values did not afford the commissioner sufficient time to review the annual report and to complete the appraisal process, particularly in the event FERC grants filing extensions. Therefore, this act extends the deadline for determining pipeline valuations by one month, to June 15. Cities and towns will continue to be notified in sufficient time in order to set their tax rates.

Approved November 10, 1987

CHAPTER 487 - AN ACT AUTHORIZING THE CITY OF PEABODY TO GRANT A  
(H. 6062) CERTAIN BETTERMENT ABATEMENT.

This act authorizes an abatement of a sewer betterment assessment that was erroneously imposed in 1975 on the Community Covenant Church in Peabody.

Approved November 10, 1987

CHAPTER 490 - AN ACT IMPROVING THE COLLECTION OF CHILD SUPPORT IN  
(H. 254) THE COMMONWEALTH.

As of July 1, 1987 the Department of Revenue (chapter 310 of acts of 1986) was charged with the responsibility of enforcing, administering and collecting payments under child support orders. Chapter 490 contains a series of tax related amendments further strengthening the Department of Revenue in this capacity.

This act authorizes the Department of Revenue to place liens, levy and seize the property of absent parents who are delinquent in their child support obligations. The act also entitles the agency to link child support data with tax data and includes guidelines on how to resolve situations where it is not clear if a payment should be used to offset a tax liability or a child support liability.

Chapter 490 contains other provisions. However, these provisions are not tax related. Emergency preamble adopted.

Approved November 16, 1987



CHAPTER 499 - AN ACT FURTHER REGULATING REAL ESTATE TAX  
(H. 5832) EXEMPTIONS OF ORGANIZATION OF VETERANS OF WAR.

This act by local option, increases the exemption from \$400,000 to \$700,000 for real and personal property owned by veterans organizations.

Approved November 17, 1987

CHAPTER 518 - AN ACT RELATIVE TO THE DETERMINATION OF CERTAIN TAX  
(H. 236) PAYMENTS.

This act sets forth the formula to be used for calculating the new value in the year following a revaluation. It enables a community to proceed to determine the value and request payment from the municipality or district owning lands without the involvement of the Commissioner. The statute does not seek to alter existing law which grants a lower in-lieu tax payment in the year in which the revaluation is implemented.

Approved November 24, 1987

CHAPTER 537 - AN ACT RELATIVE TO TAX DEFERRED INVESTMENTS FOR  
(S. 1790) STATE AND COUNTY EMPLOYEES.

Prior to this act, state and county boards of public education and the board of regents on behalf of their employees, purchased tax deferred annuity contracts. However, they were not allowed to purchase other investments. This act expands the scope of the law to allow the purchase of other tax deferred investments allowed by the Internal Revenue Code. Municipal employees have always had these options.

Approved December 1, 1987

CHAPTER 551 - AN ACT PROVIDING FOR THE ABATEMENT OF TAXES ON  
(H. 6045) CERTAIN PROPERTY DESTROYED BY A FIRE IN THE TOWN OF SOUTHBRIDGE.

This special act provides for the abatement of taxes on certain property destroyed by fire in the town of Southbridge on April 16, 1987. This act also authorizes the Commissioner of Revenue to reimburse Southbridge for funds lost due to the abatement from funds appropriated for this purpose.

Approved December 8, 1987



CHAPTER 581 - AN ACT EXEMPTING CERTAIN SUMMER CAMPS FROM THE  
(H. 6179) EXCISE ON MEALS AND ROOM OCCUPANCY.

This act allows summer camps for children 18 years or under and summer camps for developmentally disabled individuals, to be exempt from the meals and the room occupancy excise tax. Also included are children's camps which offer their facilities on a short term off-season basis for a period not to exceed 30 days, to individuals 60 years or older. The provisions are effective June 1, 1988.

Approved December 16, 1987

CHAPTER 608 - AN ACT EXEMPTING CERTAIN PRECIOUS METALS FROM THE  
(H. 2870) SALES TAX

This act exempts sales of \$1,000 or more of: rare coins of numismatic value; gold or silver bullion or coins; or gold or silver tender from the sales tax. The exemption excludes precious metals originating from the Republic of South Africa or Namibia.

Approved December 24, 1987

CHAPTER 626 - AN ACT AUTHORIZING THE PLACING OF LIENS ON CERTAIN  
(S. 2080) PROPERTIES IN CITIES AND TOWNS.

This act allows a city or town to impose a lien on real property for any locally-approved charge or fee which is not paid by the due date. The lien will be known as the "municipal charges lien".

If a charge or fee remains unpaid when the assessors are preparing the real estate tax lists, the charge or fee may be included on the tax bill. Emergency preamble adopted.

Approved December 30, 1987

CHAPTER 652 - AN ACT RELATIVE TO THE GREATER NEW BEDFORD REGIONAL  
(S. 1599) REFUSE MANAGEMENT DISTRICT.

This act gives the Greater New Bedford Regional Refuse Management District technical and financial flexibility in its bonding authority. The District is comprised of New Bedford and Dartmouth. This act also exempts from the provisions of Proposition 2 1/2, the member municipality's apportioned share of principal and interest in bonds issued by the District. This legislation originated in the Committee on Natural Resources.

Approved January 4, 1988



CHAPTER 666 - AN ACT RELATIVE TO THE NANTUCKET ISLANDS LAND BANK.  
(S. 2113)

This act further strengthens areas of the Nantucket Land Bank Act of 1983 to include:

- A provision allowing the land bank to lease its property.
- Permits land bank funds to be used in facility development i.e., improvements to an existing land bank-owned golf course.
- Allows the land bank to acquire agriculture land.
- Allows the land bank to be exempt from real estate taxes as of the date of acquisition, (as is the case with the town and county of Nantucket).
- Permits the Land Bank Commission to make an assessment of value of personal property when included in the purchase price.
- Strengthens first time buyer exemption by making qualifying language enforceable.
- Requires payment of the tax when (a) the composition of a partnership changes, resulting in an excess of 50% of the interest in the partnership changing, and (b) when corporations or partnerships are formed for the purpose of transferring real estate and then dissolved.

Approved January 5, 1988

CHAPTER 673 - AN ACT FURTHER REGULATING THE MARTHA'S VINEYARD  
(S. 1935) LAND BANK.

This act includes amendments to the Martha's Vineyard Land Bank Act of 1985 and further tightens existing language.

- The act explicitly states the Land Bank is a public government office which allows for an exemption of both state and federal taxes, (as is the case with city, town, county and state entities.)
- Allows the office of secretary/treasurer to be separated into two offices and changes the quorum from "four" to a majority vote of town representative members.



- Eliminates from the Land Bank act the provision which allows towns to pledge the credit of the county in order to purchase Land Bank property. This amendment allows towns to pledge their own credit.
- This act also stipulates that the transfer tax cannot be reduced until previously incurred authorized debt has been repaid (in order to insure sufficient money to pay back the debt.)
- Lastly, provides that collection of the transfer tax continue until the authorized debt has been repaid.

Approved January 6, 1988

CHAPTER 675 - AN ACT RELATIVE TO THE RECORDING OF FEDERAL LIENS.  
(H. 6169)

The filing of federal liens is not mandatory within the Commonwealth. This act requires that federal tax liens on any real property or fixtures in the Commonwealth be filed with the registry of deeds in the county where the property is located. Emergency preamble adopted.

Approved January 6, 1988

CHAPTER 677 - AN ACT EXTENDING THE TIME FOR CERTAIN RESIDENTIAL  
(H. 6293) TAX CREDITS FOR RENEWABLE ENERGY SOURCE PROPERTY.

This act extends certain residential tax credits for renewable energy systems. The tax credit for taxable years 1979-1988 is 35% of net expenditure for a renewable energy source property or one thousand dollars, whichever is less.

For taxable years commencing after December 31, 1988 and before January 1, 1991 the tax credit is 25% or one thousand dollars, whichever is less.

For taxable years commencing after December 31, 1990 and thereafter, the tax credit is 15% or one thousand dollars, whichever is less. Emergency preamble adopted.

Approved January 6, 1988



CHAPTER 698 - AN ACT AUTHORIZING THE COMMISSIONER OF REVENUE TO  
(H. 2641) ACT UPON A CERTAIN LATE APPLICATION OF ABATEMENT OF  
ESTATE TAXES.

This act authorizes the Department of Revenue to act upon the application of the estate of Karl T. Welz for abatement of estate tax, interest and penalties without the prepayment of these taxes and fees.

Approved January 12, 1988

CHAPTER 699 - AN ACT RELATIVE TO THE ASSESSMENT OF CERTAIN REAL  
(H. 6156) ESTATE IN THE CITY OF BROCKTON.

Due to a mixup, the revised property tax assessment for the city of Brockton was not submitted to and approved by the Department of Revenue within the 90-day limit. This act allows Brockton an additional 45 days in which to do this.

Approved January 12, 1988

CHAPTER 700 - AN ACT AUTHORIZING THE TOWN OF NORTH READING TO  
(H. 6182) REIMBURSE CERTAIN REAL ESTATE TAXES.

This act authorizes the town of North Reading to appropriate \$410.40 to Norbertt Evora and Phyllis Evora. The sum represents reimbursement for real estate taxes paid in error for FY 1983-87 inclusive. This legislation originated in Local Affairs.

Approved January 12, 1988

CHAPTER 712 - AN ACT RELATIVE TO CERTAIN TAXATION PROVISIONS  
(H. 5629) APPLICABLE TO CITIES AND TOWNS.

This act requires the commissioner of revenue to issue EQV's on or before June 1, rather than April 1.

The commissioner is prohibited from approving a local tax rate until it is determined that the communities' overlay account is a reasonable amount. Section 25 of Ch. 59 caused confusion by implying the commissioner could approve an overlay account which was in excess of 5%. This act eliminates the 5% reference.



Lastly, any municipality may elect to participate in a local scholarship program funded by a "check off" on tax bills. The scholarship fund provision, established by Chapter 194 of the Acts of 1986, has been repealed and is now included in a new section of chapter 60. Chapter 712 effectively allows the scholarship fund to be a revolving fund.

Approved January 12, 1988

CHAPTER 726 - AN ACT VALIDATING CERTAIN ACTION TAKEN BY THE TOWN  
(H. 6342) OF BERKLEY RELATIVE TO CERTAIN SCHOOL BONDS TO BE  
ISSUED BY SAID TOWN.

This act validates the Proposition 2 1/2 exemption vote for certain school bonds issued by the town of Berkley.

Approved January 13, 1988

CHAPTER 737 - AN ACT FURTHER REGULATING DISTRIBUTIONS TO CITIES  
(H. 6129) AND TOWNS.

This act allows for quarterly distribution of local aid to cities and towns. Prior to this act "cherry sheet" revenues were distributed biannually. A provision is included which requires quarterly assessments as well. The amounts payable to the cities and towns will be reduced by the assessments prior to quarterly distribution.

Approved January 13, 1988

CHAPTER 758 - AN ACT FURTHER REGULATING LOCAL PROPERTY TAX  
(S. 2119) EXEMPTIONS.

This act makes several changes to the provisions of chapter 59 dealing with property tax deferral and abatement procedures. Among the changes:

1. Prior to this act, elderly homeowners applying for property tax deferral were required to file for such deferral by December 15. This act recognizes that tax bills are often sent out after December 15, and allows the taxpayers to file for deferral by December 15 or three months after the tax bill is sent, whichever is later.

2. A similar filing schedule is allowed for the hardship exemption and the exemptions for survivors of police and firefighters killed in the line of duty.



3. Consolidates into a single clause exempting "all intangible personal property," property tax exemptions which were previously listed individually.

Approved January 14, 1988

CHAPTER 773 - AN ACT FURTHER PREVENTING LEAD POISONING.  
(H. 5927)

This act allows a non-refundable credit in the amount of the cost of removing or covering lead paint, or \$1,000, whichever is less. Chapter 773 does not specify a limit on the number of dwelling units nor stipulate income requirements for the individual claiming the credit.

The act contains other provisions. However, these provisions are not tax-related. This legislation originated in the Health Care Committee.

Approved January 15, 1988

RESOLVE, CHAPTER 1 - RESOLVE REVIVING, CONTINUING AND INCREASING  
THE MEMBERSHIP OF CERTAIN SPECIAL COMMISSIONS.

This chapter extends the Special Commission on Tax Reform's deadline to develop a tax reform program, to December 28, 1988. The Local Aid Commission is also extended to December 28, 1988.

Approved May 22, 1987





